In order to bring parity in tax treatment of allowances received by MPs and MLAs, Section 10(17) was amended *vide* Finance Act, 2006 with effect from 1.4.2007. After the amendment, as in the case of MPs, the following allowances of MLAs are also exempt—

(i) Daily Allowance; and

(ii) Constituency Allowance, irrespective of any limit.

All other allowances of MPs as well as MLAs are taxable. In view of the above, the tax treatment of allowances received by MPs and MLAs has become uniform.

Given the existing parity, granting further exemption to any other allowances received by MLAs of Andhra Pradesh may not be desirable. A representation dated 09.08.2007 was received on this issue from the Chief Minister of Andhra Pradesh. A reply dated 13.09.2008 was sent to the Chief Minister of Andhra Pradesh clarifying the issue raised by him.

Action against flying club/institutes

*89. SHRI SANTOSH BAGRODIA:
SHRI HARISH RAWAT:

Will the Minister of CIVIL AVIATION be pleased to state:

(a) the steps Government is taking to ensure that different flying clubs and flying institutes are following strictly the norms required for training the pilots and giving them the licences; and

(b) the institutes found to be issuing false reports and false licences and what action Government has taken against them?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) All the Flight Training Institutes have been advised to submit attested photocopies of relevant records of their individual aircraft every month.The applications of their students for issue of licences are required to be submitted with attested copies of relevant flying records/details. Directorate General of Civil Aviation (DGCA) has been directed to ensure a strict monitoring system to avoid malpractices.

(b) Reports regarding irregularities committed by the Chief Flying Instructor (CFI) of M/s. Carver Aviation Academy were received which were duly investigated by DGCA. The CFI status of Capt. Ashim Taxali was withdrawn and approval to M/s Carver Aviation Academy was suspended. The Academy repersented to the Government with all facts of the case. The Government considered the representation and, keeping in view the fact that the management of the institute themselves detected the malpractices and reported to the local police authorities and also keeping in view the career prospects of trainees enrolled with the institute and assurance given by the academy of a strict monitoring system, decided to revoke the suspension of the licence. DGCA has been directed to ensure that these systems are in place.